

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
	:	Criminal Number:
v.	:	
	:	18 U.S.C. § 1349
	:	18 U.S.C. § 1343
CRAIG CINELLI and	:	18 U.S.C. § 2
JOSEPH CINELLI, SR.	:	

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark,
charges:

COUNT ONE

(Wire Fraud Conspiracy)

1. At all times relevant to this Indictment:

Individuals and Entities

a. Cinelli Iron & Metal Co., Inc. ("CIMCO") purchased scrap metal for resale. CIMCO was headquartered in Secaucus, New Jersey, and operated three scrap metal recycling facilities in New Jersey.

b. CIMCO purchased different varieties of scrap metal. The prices for different kinds of scrap metal varied depending upon market demand.

c. Defendant CRAIG CINELLI was the Chief Executive Officer and co-owner of CIMCO. Defendant CRAIG CINELLI resided in or around Allendale, New Jersey.

d. Defendant JOSEPH CINELLI, SR. was the President and co-

owner of CIMCO. Defendant JOSEPH CINELLI resided in or around Montvale, New Jersey.

e. Corporate Victim 1 was a gas and electric utility company headquartered in Newark, New Jersey.

f. Corporate Victim 2 was a public transportation company serving New York City and surrounding areas, headquartered in New York, New York. Corporate Victim 2 was the single largest grant recipient from the U.S. Department of Transportation, Federal Transit Administration.

g. Corporate Victim 3 was a gas and electric utility company headquartered in New York, New York.

h. Corporate Victim 4 was a manufacturer of metal, plastic, and hybrid containers headquartered in Oak Brook, Illinois.

i. Corporate Victim 5 was a demolition and environmental remediation company headquartered in Chicago, Illinois.

j. CIMCO generated various types of documents in the regular course of its business, including, among other things:

i. Hard-copy and electronic scale tickets that purportedly reflected the weight of scrap metal hauls;

ii. Invoice documents, known as "Red and Whites," which were typically not given to Corporate Victims, as defined below in Paragraph 3, but instead used at CIMCO to record money CIMCO purportedly owed Corporate Victims;

iii. Documentation in connection with payments purportedly made to Corporate Victims, including checks and account statements.

The Conspiracy

2. From in or about 1999 through in or about March 2016, in Hudson County, in the District of New Jersey, and elsewhere, defendants

CRAIG CINELLI
and
JOSEPH CINELLI, SR.

did knowingly and intentionally conspire and agree with each other and with others to devise a scheme and artifice to defraud Corporate Victims 1 through 5, among others, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice to defraud, to transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

Goal of the Conspiracy

3. The principal goal of the conspiracy was for defendants CRAIG CINELLI, JOSEPH CINELLI, and others (the “Co-Conspirators”) to enrich themselves unlawfully by using a variety of fraudulent business practices to buy scrap metal from CIMCO’s customers (the “Corporate Victims”) for less than CIMCO should have paid and then profit when CIMCO later sold the

scrap metal.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that CIMCO trucks delivered scrap metal containers to Corporate Victims' jobsites, and removed those containers after they were filled with scrap metal. CIMCO then purportedly paid the Corporate Victims for the scrap metal based on the type of metal involved and the net weight of the scrap metal.

5. It was further part of the conspiracy that instead of paying the proper, agreed-upon amounts for the actual weight of Corporate Victims' scrap metal, the Co-Conspirators and others instead used a variety of techniques to misrepresent the true weight and type of the scrap metal CIMCO purchased. These techniques included, among other things:

a. Short Weighing: The Co-Conspirators and others altered both scale tickets and Red and Whites to fraudulently reflect a lower weight than the actual weight of a haul.

b. Magging: The Co-Conspirators and others removed scrap metal from a haul with a magnet before the haul was weighed, which caused a lower weight to be recorded for the haul.

c. Falsifying Proportion of Metals: The Co-Conspirators and others misrepresented the types and proportions of scrap metal contained in a haul so that it appeared to contain less valuable scrap metal.

6. It was further part of the conspiracy that, using the techniques

described above, among others, Co-Conspirators and others fraudulently caused CIMCO to underpay for scrap metal purchased from Corporate Victims, which caused losses to the Corporate Victims.

7. It was further part of the conspiracy that, to execute and attempt to execute the conspiracy, the Co-Conspirators and others sent and caused to be sent numerous interstate wire communications which were transmitted into and out of the District of New Jersey.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH SIX

(Wire Fraud)

1. The allegations set forth in Paragraphs 1 and 3 through 7 of Count One above are incorporated and realleged as if fully set forth herein.

2. From in or about 1999 through in or about March 2016, in Hudson County, in the District of New Jersey, and elsewhere, defendants

CRAIG CINELLI
and
JOSEPH CINELLI, SR.

and others knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud Corporate Victims 1 through 5, among others, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises.

3. On or about the dates set forth below, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendants

CRAIG CINELLI
and
JOSEPH CINELLI, SR.

did knowingly and intentionally transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce the following writings, signs, signals, pictures, and sounds, each constituting a separate count of this Indictment:

Count	Approximate Date	Description
Two	February 25, 2016	Electronic funds transfer of approximately \$447,266.31 from the bank account of CIMCO to the bank account of Corporate Victim 1 underpaying for scrap metal based on falsified records.
Three	July 9, 2015	Email sent from CIMCO in New Jersey to Corporate Victim 2 in New York attaching falsified documents that allowed CIMCO to underpay for scrap metal.
Four	May 26, 2015	Email sent from defendant CRAIG CINELLI in New Jersey to Corporate Victim 3 in New York attaching falsified documents that allowed CIMCO to underpay for scrap metal.
Five	July 19, 2013	Email sent from CIMCO in New Jersey to Corporate Victim 4 in California attaching a falsified document that allowed CIMCO to underpay for scrap metal.
Six	November 6, 2013	Email sent from CIMCO in New Jersey to Corporate Victim 5 in Pennsylvania attaching a falsified document that allowed CIMCO to underpay for scrap metal.

In violation of Title 18, United States Code, Section 1343 and Section 2.

FORFEITURE ALLEGATION

1. As the result of committing the offenses constituting specified unlawful activity as defined in 18 U.S.C. § 1956(c)(7), as alleged in Counts One through Six of this Indictment, defendants CRAIG CINELLI and JOSEPH CINELLI, SR. shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the said wire fraud and wire fraud conspiracy offenses, and all property traceable thereto.

Substitute Assets Provision

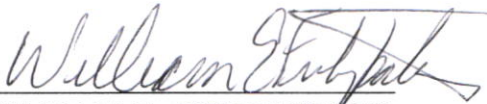
2. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

A True Bill,

Foreperson


WILLIAM E. FITZPATRICK
Acting United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

**CRAIG CINELLI and
JOSEPH CINELLI, SR.**

INDICTMENT FOR

**18 U.S.C. § 1349
18 U.S.C. § 1343
18 U.S.C. § 2**

A True Bill,

Foreperson

**WILLIAM E. FITZPATRICK
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